



State Board of Equalization

News Release

Vice Chairman Jerome E. Horton

4th District – Los Angeles

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Executive Director
www.boe.ca.gov

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Jerome E. Horton Says California Gasoline Demand Up 0.7%, Diesel Down

Fourth Month Increase for Gasoline While Diesel Follows State's Economic Activity

Jerome E. Horton, Vice Chairman of the California State Board of Equalization (BOE), today released California gasoline and diesel consumption figures for August 2009. Demand for gasoline increased 0.7 percent and diesel declined 17.1 percent compared to the same month last year.

While this is the fourth month of slight increase in gasoline consumption, so far in 2009 California gasoline consumption has declined 1.6 percent compared to January through August of 2008.

Editors: Please see attached chart showing percentage change in consumption compared to 12 months ago from January 2008 through August 2009.

In August 2009, gasoline demand rose 0.7 percent when Californians used 1.268 billion gallons of gasoline compared to 1.260 billion gallons the same month last year. The average California gasoline price at the pump in August was \$3.06 per gallon compared to \$4.13 in August 2008, a 25.9 percent decrease from a record high price.

Gasoline sold in August generated approximately \$324 million in sales tax during that month, an estimated \$59 million less than generated last year. August sales tax revenues from gasoline would have been about \$37 million less had the state portion of the sales and use tax rate not increased by one percent on April 1, 2009.

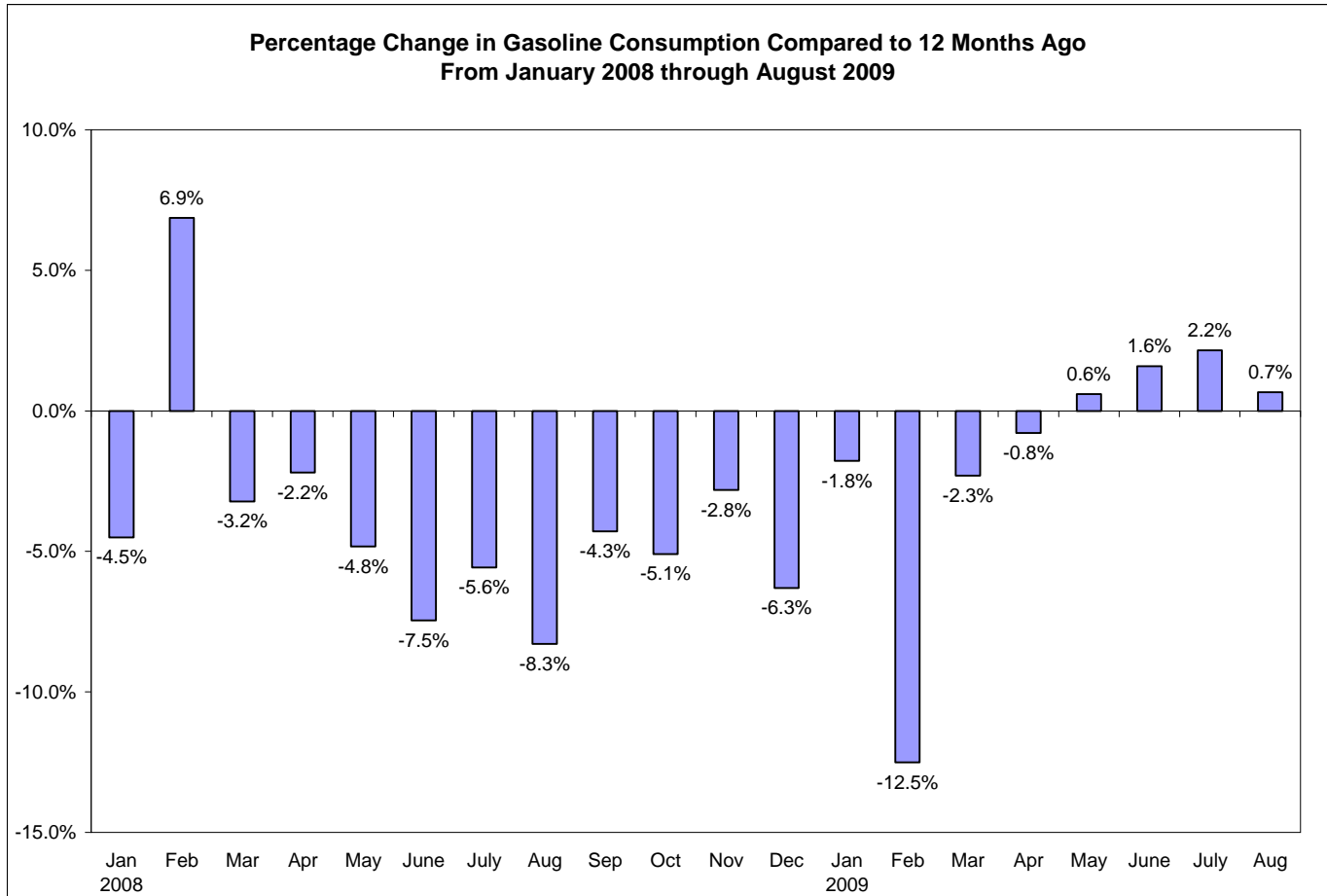
Diesel fuel sold in California during August totaled 193.95 million gallons compared to last year's August total of 234.02 million gallons, which is a decline of 17.1 percent. California diesel prices were \$2.85 per gallon in August 2009 down 37.2 percent compared to August 2008 when the average diesel price was \$4.54 per gallon.

Diesel consumption generally follows economic activity during a recession. While the diesel gallons reflected in the August numbers are down 40.1 million gallons, indicating a decline of 17.1 percent, the reduction in consumption is likely to be less. The actual decline may be closer to 20.8 million gallons, a decline of 8.9 percent, because the August 2009 figures include a 19.3 million gallon non-recurring credit. The gallons included in the monthly consumption numbers are always net of audit assessments and refunds. The August 2009 credit was larger than most and may have skewed the actual amount of decline.

The BOE is able to monitor gallons through tax receipts paid by fuel distributors. Figures for September 2009 are scheduled to be available at the end of December 2009. All monthly, quarterly, and annual figures can be viewed at: www.boe.ca.gov/sptaxprog/spftrpts.htm.

Taxable Gasoline Gallons: www.boe.ca.gov/sptaxprog/reports/MVF_10_Year_Report.pdf.

Taxable Diesel Gallons: www.boe.ca.gov/sptaxprog/reports/Diesel_10_Year_Report.pdf.



Vice Chairman Jerome E. Horton is the 4th District Member of the BOE, representing more than 8.5 million residents in Los Angeles County. He is also the BOE Legislative Committee chair. Horton is the first African American to serve on the BOE since its inception in 1879, and the third African American constitutional officer in California's history. Horton was appointed by the Governor and confirmed by both the Assembly and the Senate in 2009. Horton previously served as an Assembly member from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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